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EXDIS

MILITARY ADDEES HANDLE AS SPECAT EXCLUSIVE

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SUBJECT: GREECE--AMBASSADOR'S OVERALL NEW YEAR'S ASSESSMENT
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PERICLES: "I FEAR FAR MORE OUR OWN MISTAKES
AND BLUNDERS THAN THE STRENGTH AND STRATEGY
OF OUR ADVERSARIES."

THUCYDIDES: HISTORY OF THE PELOPONNESIAN WAR

1. TWO AND A HALF YEARS AFTER THE SHATTERING EVENTS OF 1974 AND
THE RESTORATION OF DEMOCRACY, GREECE IS STILL IN SOME FERMENT AND
THE OUTLOOK -- WHILE ENCOURAGING -- IS FAR FROM CLEAR. INDEED,
GREECE TODAY APPEARS TO BE SUSPENDED BETWEEN A BYZANTINE PAST

CHARACTERIZED BY REPEATED TURBULENCE AND THE POSSIBILITY OF A TRULY WESTERN FUTURE WHERE STABILITY AND PROGRESS WOULD BE ROOTED IN WESTERN IDEALS OF FREEDOM AND REASON. IN MY VIEW, THERE IS NO DOUBT THAT AMERICAN INTERESTS WOULD BEST BE SERVED IF GREECE MADE AN ENDURING AND SUCCESSFUL COMMITMENT TO DEMOCRACY. THAT THIS POSSIBILITY EVEN EXISTS RESTS TO SOME EXTENT ON FAITH. THE KEY VARIABLE AT THE MOMENT ARE:

- PRIME MINISTER CARAMANLIS, WHOSE LEADERSHIP IS CRUCIAL;
- THE GREEK-TURKISH RELATIONSHIP, WHICH CONDITIONS ALMOST EVERYTHING THAT HAPPENS IN GREECE TODAY;
- THE UNITED STATES, WHOSE INTERESTS AND INFLUENCE HERE ARE SUBSTANTIAL.

2. CARAMANLIS IS IN A SENSE THE IDEAL MAN TO LEAD GREECE AT THIS MOMENT. TO THE TASK OF MATCHING ORDER AND PROGRESS HE BRINGS UNIQUE TALENTS. HE IS A DOMINANT LEADER OF A NATION OF INVETERATE INDIVIDUALISTS WHO INSTINCTIVELY RESIST ANY KIND OF LEADERSHIP. HE HAS TOLD ME MANY TIMES THAT OF ALL THINGS HE IS MOST PROUD OF DE GAULLE'S TRIBUTE TO HIM IN HIS MEMOIRS: "CARAMANLIS SUCCEEDS IN GOVERNING NINE MILLION GREEKS WHO DO NOT WANT TO BE GOVERNED." REFLECTING CARAMANLIS' FIRM PURPOSE AND PACED BY HIS EXCELLENT TIMING, GREECE FOR TWO YEARS HAS BEEN MOVING BACK
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TOWARDS THE WEST. CARAMANLIS IS COMMITTED TO THE VISION OF A GREECE ALIGNED WITH THE WEST MILITARILY, TIED TO THE WEST ECONOMICALLY, AND MARCHING IN STEP WITH THE WEST POLITICALLY. CARAMANLIS ALSO SEES HIS CURRENT OPENING TO WESTERN EUROPE AS ANOTHER GIANT STEP TOWARDS THE UNITED STATES. FOR WHEN CARAMANLIS THINKS ABOUT THE WEST, HE KNOWS THAT THE CONCEPT IS STRIPPED OF MEANING AND CONTENT UNLESS THE CRITICAL ROLE OF THE UNITED STATES IS RECOGNIZED, AND MORE IMPORTANTLY, NOURISHED.

3. THERE ARE THOSE IN GREECE WHO DO NOT SHARE CARMANLIS' VISION. ON THE RIGHT THERE ARE ELEMENTS WHO ARE UNEASY WITH DEMOCRACY, WITH THE TURBULENCE THAT ACCOMPANIES IT, AND WITH THE TOLERATION IT DEMANDS. ON THE LEFT THERE ARE THOSE WHO SHARE THE FAR RIGHT'S DISCOMFORT WITH FREEDOM AND IN ADDITION ABHOR THE CONCEPT OF GREECE BYING ITSELF TO THE WEST AND TO THE UNITED STATES. THAT PORTION OF THE CENTER NOT CO-OPTED BY CARAMANLIS IS INCREASINGLY RESTLESS AT ITS LACK OF POWER AND INFLUENCE.

4. THUS FAR THE PRIME MINISTER HAS MANEUVERED SUCCESSFULLY AMONG THESE DISSIDENT FORCES. HIS MANDATE OF 54 PERCENT IN THE 1974 ELECTIONS HAS ERODED SOMEWHAT, A PROCESS THAT WILL CONTINUE; BUT IF TESTED AT THE POLLS TODAY, HIS SHARE OF THE VOTE PROBABLY WOULD SLIP ONLY marginally. AND WITH HIS OVERWHELMING MAJORITY IN PARLIAMENT -- NEARLY THREE-QUARTERS -- HE CAN, PRCATICALLY AT WILL, ASSURE HIMSELF OF FIVE MORE YEARS AT THE HELM BY SIMPLY

TAKING THE PLACE OF THE PRESENT PRESIDENT OF GREECE, WHOSE CONSTITUTIONAL POWERS OVERSHADOW THOSE EVEN OF THE PRIME MINISTER.

5. ONE OF CARAMANLIS' GREAT ADVANTAGES IS THE WEAKNESS OF HIS OPPOSITION. TO DATE THOSE WHO DISSENT FROM CARAMANLIS HAVE BEEN UNABLE EITHER TO MATCH HIS POLITICAL SKILLS OR TO COME UP WITH A CONVINCING ALTERNATIVE TO HIS LEADERSHIP. IN THE SHORT RUN THIS IS ALL TO THE GOOD, FOR IT PROMISES -- OTHER THINGS BEING EQUAL -- CONTINUED STRONG LEADERSHIP FOR GREECE. IN THE LONG RUN, HOWEVER, IT IS A SOURCE OF CONCERN. FOR IF BROADLY ACCEPTABLE ALTERNATIVES TO THE PRIME MINISTER'S LEADERSHIP FAIL TO EMERGE, THE SPECTER OF CONFIDENTIAL

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POLARIZATION, AND WITH IT INSTABILITY, WILL CONTINUE TO SHADOW THE GREEK FUTURE. AND THAT MUST WORRY THE UNITED STATES. IT HAS BEEN DEMONSTRATED REPEATEDLY THAT WHEN GREECE'S DEMOCRATIC INSTITUTIONS CRACK APART THE SHOCKS ARE FELT -- AND PROFOUNDLY -- IN GREECE'S FOREIGN RELATIONS, INCLUDING HER DEFENSE RELATIONS.

6. WHEN I NOTE THE PRIME MINISTER'S STRENGTHS AND HIS OPPOSITION'S WEAKNESSES I DO NOT IMPLY THAT CARAMANLIS IS RUNNING A TIGHT LITTLE ONE-PARTY STATE. GREECE IS A DEMOCRACY, AND A POTENTIALLY BRITTLE ONE. NO DEMOCRATIC LEADER CAN AFFORD TO IGNORE HIS OPPOSITION, IN GREECE OR ANYWHERE ELSE. THE MOST SENSITIVE GREEK ISSUES REVOLVE AROUND GREECE'S RELATIONS WITH TURKEY AND THE UNITED STATES. IF HE MISHANDLES HIS DEALINGS WITH ANKARA OR WASHINGTON HIS STRENGTH COULD RAPIDLY DECLINE. CARAMANLIS CANNOT BULLDOZE HIS WAY PAST GREEK SENTIMENTS ON THESE MATTERS; HE CAN IGNORE HIS OPPOSITION'S VIEWS IN THESE AREAS ONLY AT THE RISK OF POLARIZING GREECE, A RISK HE WILL NOT LIGHTLY RUN.

7. GREECE'S DEMOCRATIC INSTITUTIONS HAVE HISTORICALLY CRACKED UNDER THE WEIGHT OF TASKS. THE EFFERVESCENCE OF DEMOCRACY -- TO SAY NOTHING OF STRIKES AND DEMONSTRATIONS -- SOMETIMES APPEARS AS "ANARCHY" TO THE GREEK MILITARY OFFICER, WHO VIEWS HIMSELF AS THE ULTIMATE GUARANTOR OF "ORDER" AND OF THE "GREEK NATION". TO DATE, WHILE THERE HAS BEEN AN INCREASE IN UNHAPPINESS WITH CARAMANLIS' LEADERSHIP AMONG SOME OFFICERS -- PARTICULARLY WHAT IS VIEWED AS HIS MOLLYCODDLING OF "COMMUNISTS" -- THIS DISSIDENCE LACKS ORGANIZATION AND FOCUS. SO TODAY, AS LAST YEAR, THE MILITARY DO NOT APPEAR TO POSE AN IMMEDIATE THREAT TO CARAMANLIS. FOR THE FORESEEABLE FUTURE, HOWEVER, THEY WILL REMAIN THE ARBITERS OF GREEK POLITICS, AND THE ATTITUDE OF THE MEN WITH THE GUNS WILL REMAIN A CONSTANT PREOCCUPATION AS THE PRIME MINISTER SEEKS TO BRING CHANGE AND STABILITY.

8. WHATEVER CARAMANLIS' POLITICAL SUCCESS, A KEY TO THE SURVIVAL OF GREECE'S DEMOCRACY LIES IN THE PERFORMANCE OF THE ECONOMY. ON THE MOST IMMEDIATE LEVEL THIS MEANS MEETING THE RISING SOCIAL AND CONFIDENTIAL

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MATERIAL DEMANDS OF THE GREEK PEOPLE. FIRST THE GOOD NEWS: THUS FAR, CARAMANLIS' ECONOMIC TEAM HAS MANAGED TO LEAD GREECE BACK FROM NEAR ECONOMIC BREAKDOWN TWO YEARS AGO. A REAL GROWTH RATE OF FIVE TO SIX PERCENT IS PROJECTED FOR 1977; INFLATION IS DOWN TO A MANAGEABLE 10-12 PERCENT; UNEMPLOYMENT IS A LOW THREE PERCENT, IN PART BECAUSE GREECE HAS EXPORTED LABOR TO THE DEVELOPED EEC NATIONS. IN SUM, THE GREEK ECONOMY APPEARS TO BE TICKING ALONG AS THE NATION HOPES AND PREPARES FOR FULL MEMBERSHIP IN THE EUROPEAN COMMUNITY.

9. NOW THE BAD NEWS: THERE ARE TWO ECONOMIC SOFT SPOTS, THE BALANCE OF PAYMENTS AND INVESTMENT, BOTH OF THEM UNUSUALLY SUSCEPTIBLE TO FOREIGN AND DOMESTIC POLITICAL WINDS. THE BALANCE OF PAYMENTS, THOUGH IMPROVED, REMAINS A PROBLEM OVER THE MEDIUM TERM. AND INVESTMENT -- A POTENTIALLY CRITICAL AREA -- HAS FAILED TO KEEP PACE. NEVERTHELESS, DESPITE WIDESPREAD WORRY ABOUT A WORSENING OF THE AEGEAN OR CYPRUS CRISES AND INVESTORS' FEARS THAT THE GOG IS HARRASSING PRIVATE CAPITAL, NEARLY EVERYONE IN GREECE SEEMS CONFIDENT THAT THE NATION WILL SUCCESSFULLY MEET THE ADJUSTMENT CHALLENGES OF JOINING THE COMMUNITY, EMERGING WITH ITS ECONOMY STRENGTHENED AND MODERNIZED.

10. IT IS ESSENTIAL THAT SUCH EXPECTATIONS BE TRANSLATED INTO REALITY. THE GREEK ECONOMY HAS A ROLE TO PLAY HERE THAT TRANSCENDS MEETING THE SIMPLE MATERIAL WANTS OF THE GREEK PEOPLE. IT MUST HAMMER THE NATION'S INSTITUTIONS INTO MODERNITY. FOR YEARS GREEKS HAVE DECRIED THEIR OTTOMAN-BYZANTINE BUREACRACY, THEIR DYSFUNCTIONAL EDUCATIONAL SYSTEM, AND THEIR HIGHLY PERSONALIZED POLITICS, BUT THEY NEVER HAVE BEEN ABLE TO DO MUCH ABOUT THEM. THE CARAMANLIS GOVERNMENT HAS MADE SOME PROGRESS IN REFORMING EDUCATION, BUT THE BUREACRACY AND PARTY POLITICS GO ON AS BEFORE. THAT THE IMMOBILE PUBLIC SECTOR NOW CONTROLS OVER 51 PERCENT OF THE GNP IS HARDLY A CAUSE OF OPTIMISM. HOWEVER, THE GREEK ECONOMY HAS GROWN AND THE NATION HAS MODERNIZED DESPITE THE OBSTACLES THROWN UP BY CREAKY INSTITUTIONS, AND THERE SEEMS TO BE REASON TO HOPE THAT A MORE MODERN ECONOMY WILL FORCE MORE MODERN SHAPES ON THE

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REST OF GREECE.

11. ONE THING IS CLEAR: IF GREECE IS TO MAKE AN ORDERLY TRANSITION TO A FULLY WESTERN FUTURE, THE GREEK-TURKISH DISPUTES MUST BE VASTLY MITIGATED OR RESOLVED. THE NATIONS HAVE COME PERILOUSLY CLOSE TO WAR TWICE DURING THE PAST TWO YEARS, ONCE OVER CYPRUS IN 1974 AND AGAIN OVER THE AEGEAN IN THE SUMMER OF 1976. THE AEGEAN IN PARTICULAR HAS ALL THE CLASSIC INGREDIENTS TO PRODUCE A WAR. THUS, DESPITE SOME SIGNS OF PROGRESS IN THE RELATIONSHIP BETWEEN THE TWO COUNTRIES AT THE END OF THE YEAR, THE RISK OF CONFLICT REMAINS -- QUITE FRANKLY -- VERY LARGE, ESPECIALLY AS NEARLY EVERY GREEK IS CONVINCED TURKEY HAS SWUNG INTO AN EXPANSIONIST PHASE.

12. GREEK LEADERS -- BOTH IN AND OUT OF GOVERNMENT -- HAVE OVERWHELMING PREFERENCE FOR A NEGOTIATED SETTLEMENT OF THE NATION'S DIFFERENCE WITH TURKEY.

-- THEY KNOW THAT A MILITARY CONFLICT WITH TURKEY WOULD PROBABLY END BADLY FOR GREECE. EVEN IF GREECE MANAGED TO HANG ON TO MOST ALL OF ITS ISLAND AND TERRITORY THE COSTS TO THE NATION -- IN ALL TERMS -- WOULD BE VERY HEAVY AND DEMOCRACY COULD HARDLY SURVIVE SUCH AN ENCOUNTER.

-- MOST INFORMED GREEKS UNDERSTAND THAT THE "TURKISH PROBLEM" IS CENTRAL TO GREECE'S ECONOMIC DIFFICULTIES. THE DRAMATIC RISE IN DEFENSE EXPENDITURES TO NEARLY SEVEN PERCENT OF THE GNP SQUEEZES VITALLY NEEDED EFFORTS IN HOUSING, AGRICULTURE, AND SOCIAL SERVICES AND BURDENS THE BALANCE OF PAYMENTS. TENSIONS WITH TURKEY MAKE INVESTORS, DOMESTIC AND FOREIGN, VERY CAUTIOUS. THUS THE REAL AND THE POTENTIAL COSTS OF CONFLICT MAKE GREECE ANXIOUS TO ACHIEVE A PEACEFUL SETTLEMENT WITH TURKEY.

13. GREEKS ARE TOTALLY UNWILLING TO PAY AN UNLIMITED PRICE TO REACH SUCH A SETTLEMENT. THEY ARE INCREASINGLY AWARE, HOWEVER, OF THE NEED TO MAKE SOME CONCESSIONS IN THE AEGEAN AND CYPRUS TO CONFIDENTIAL

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OBTAIN A PEACEFUL SETTLEMENT, AND THERE IS A GROWING WILLINGNESS TO DO SO. PERHAPS MORE IMPORTANTLY, THERE SEEMS TO BE A BROADENING CONSENSUS ON WHAT MIGHT CONSTITUTE AN ACCEPTABLE PRICE:

-- ON CYPRUS, BIZONALITY, A CENTRAL GOVERNMENT OF LIMITED POWERS, AND A TURKISH-CYPRIOZ ZONE OF AROUND 25 PERCENT OF THE ISLAND IS TAKING SHAPE AMONG A BROAD CROSS SECTION OF GREEK LEADERSHIP AS A REALISTIC AND ACCEPTABLE RESOLUTION. CARAMANLIS COULD DEFEND SUCH A SETTLEMENT; AND, HE HAS SAID, HE WOULD BREAK WITH MAKARIOS IF THE TURKS AGREED TO IT AND MAKARIOS DID NOT.

-- IN THE AEGEAN, FAR MORE IMPORTANT TO MAINLAND GREEKS THAN CYPRUS, CARAMANLIS' NEGOTIATING ROOM IS NARROWER AND THE CONSENSUS ON WHAT WOULD BE A REASONABLE SETTLEMENT MORE NEGULOUS. YET HIS RECENT PUBLIC ACKNOWLEDGEMENT THAT THE TURKS HAVE "RIGHTS" IN THE AEGEAN CAUSED ONLY SMALL RIPPLES, EVEN THOUGH MANY GREEKS ARE EMOTIONALLY ATTACHED TO THE IDEA THAT "THE AEGEAN IS GREEK." IT HAS BECOME QUITE EVIDENT THAT THE GOG IS PREPARED TO BARGAIN TO GIVE THE TURKS EXPLOITATION AND OTHER RIGHTS CONSIDERABLY BEYOND THE NARROW STRIP OF TERRITORIAL WATERS THEY NOW POSSESS.

14. FOR THE GREEKS TO FIRM UP A VISION OF THE OUTCOME THEY WOULD LIKE TO SEE EMERGE FROM NEGOTIATIONS ON CYPRUS AND THE AEGEAN SOLVES ONLY PART OF THE PROBLEM. EQUALLY IMPORTANTLY, A NEGOTIATING PROCESS MUST BE GOTTEN UNDER WAY WHICH WILL TEST THEIR COMMITMENT TO SUCH A VISION AND BOPEFULLY WORK OUT A SETTLEMENT

INSPIRED BY IT. THUS FAR THE SEARCH FOR THAT PROCESS HAS BEEN A STERILE ONE AND THE GREEK SIDE -- ANXIOUS TO FIND SOMEONE (THE UN, THE INTERNATIONAL COURT, THE U.S., THE EC-9, MAKARIOS) TO TAKE OR SHARE RESPONSIBILITY BEFORE THE GREEK PUBLIC FOR MAKING "CONCESSIONS" TO THE TURKS -- IS NOT WITHOUT ITS PORTION OF BLAME.

15. IN ALL OF THIS, ONE OF THE BIGGEST LOSERS HAS BEEN THE UNITED STATES. A SMALL NATION, OCCUPYING A STRATEGIC LOCATION, GREECE HAS TRADITIONALLY LOOKED TO OTHERS TO HELP GUARANTEE ITS NATIONAL CONFIDENTIAL

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SECURITY. IN FACT, GREEKS HAVE RAISED THE CONCEPT OF DEPENDENCY TO THE LEVEL OF A PHILOSOPHY OF NATIONAL DEFENSE. THE UNITED STATES BECAME GREECE'S PROTECTING POWER THREE DECADES AGO WHEN WE FORGED AN ALLIANCE. MOST AMERICANS' EYES ARE STILL FOCUSED PRIMARILY ON THE THREAT FROM THE NORTH. GREEKS, ON THE OTHER HAND, WHILE THEY HAVE NOT ENTIRELY FORGOTTEN THE SOVIET THREAT, PERCEIVE THE MOST DANGEROUS AND IMMEDIATE THREAT BY FAR AS COMING FROM TURKEY. FOR GREECE THE IMMEDIATE VALUE OF THE AMERICAN CONNECTION (INCLUDING OUR SUBSTANTIAL MILITARY ASSISTANCE) IS IN THE PROTECTION AND LEVERAGE IT PROVIDES IN MEETING THE TURKISH CHALLENGE.

16. THERE ARE, OF COURSE, GREEKS WHO SEE NO VALUE IN THE AMERICAN CONNECTION, INCLUDING THOSE COMMUNISTS WHO CONTINUE TO MAKE MOSCOW THEIR MECCA AND ANDREAS PAPANDREOU WHO SEES OUR PRESENCE AS A BARRIER TO HIS GOAL OF TAKING POWER AND TRANSFORMING GREEK SOCIETY. THESE GROUPS -- AIDED BY AN ALMOST UNBELIEVABLY SENSATIONALIST PRESS -- HAVE FOCUSED ON THE UNITED STATES ALL THE BITTERNESS, FRUSTRATION AND GUILT MOST GREEKS FELT OVER CYPRUS AND SEVEN YEARS OF MILITARY GOVERNMENT. WHILE ANTI-AMERICANISM HAS NOT DISAPPEARED -- AND REMAINS PARTICULARLY STRONG AMONG THE YOUNG -- THE PASSAGE OF TIME AND WISE MANAGEMENT OF OUR AFFAIRS TO THE EXTENT WE HAVE HAD DISCRETION, HAVE REDUCED IT TO MANAGEABLE PROPORTIONS.

17. WHETHER CARAMANLIS HAS SKILLFULLY MANAGED OR CUNNINGLY MANIPULATED THE GREEK DEFENSE RELATIONSHIP WITH THE UNITED STATES IS A QUESTION WITH POTENTIAL FOR ENDLESS DEBATE -- AND I KNOW THIS MATTER IS SEEN DIFFERENTLY BY THE DEPARTMENT AND BY ME. WHAT IS BEYOND DISAGREEMENT, HOWEVER, IS THAT CARAMANLIS HAS LED GREECE FROM A POINT A LITTLE MORE THAN TWO YEARS AGO WHEN THE DEFENSE RELATIONSHIP WITH THE U.S. AND NATO HUNG BY A BARE THREAT TO A SITUATION TODAY WHERE:

A) THERE IS A GROWING CONSENSUS AMONG ALL EXCEPT THE COMMITTED LEFT THAT THE UNITED STATES WILL -- AND SHOULD -- CONFIDENTIAL

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CONTINUE TO OPERATE IN AND FROM GREECE IN THE COMMON DEFENSE.

WHILE THE GREEKS GIVE "COMMON DEFENSE" A SPECIAL TURKISH TWIST, IN THE ABSENCE OF A COMPLETE BREAKDOWN IN GREEK-TURKISH RELATIONS THIS CONSENSUS ON OUR PRESENCE HERE SHOULD SURVIVE. THE COMPLETION OF THE NEGOTIATIONS FOR UPDATED DEFENSE COOPERATION BETWEEN OUR TWO COUNTRIES WILL CONTINUE TO BE TIMED ON THE GREEK SIDE BY CARAMANLIS' PERCEPTIONS OF HIS OWN DOMESTIC AND FOREIGN POLICY NEEDS -- NOT OURS, UNLESS THEY ARE FULLY COMPATIBLE -- AS WELL AS BY THE INHERENTLY VERY COMPLICATED STRUCTURE OF THE MANY NEW AGREEMENTS, ANNEXES AND APPENDICES WE HAVE BEEN NEGOTIATING. AT THE SAME TIME -- SEEN IN U.S.-GREECE TERMS ALONE -- WE HAVE THUS FAR BEEN ABLE TO RETAIN ALL REPEAT ALL OF THE OPERATIONAL FACILITIES WE REALLY REQUIRE, WE HAVE CONTINUED TO OPERATE VIRTUALLY UNHAMPERED WHILE WE HAVE BEEN NEGOTIATING, AND WE HAVE MOVED A VERY GREAT DISTANCE TOWARDS A MORE SOLID, MODERN AND SUSTAINABLE DEFENSE RELATIONSHIP.

B) GREECE HAS RECENTLY CROSSED A MAJOR THRESHOLD IN MOVING BACK TOWARDS REINTEGRATION INTO THE MILITARY STRUCTURE OF NATO. THE OVER-ALL MOVEMENT HAS BEEN SLOW, BUT I HAVE NO DOUBT THAT CARAMANLIS MEANS IT WHEN HE PROMISES TO LEAD GREECE ENTIRELY BACK INTO THE FOLD WHEN THE CYRPUS PROBLEM WHICH CAUSED THE RIFF IS RESOLVED. IN THE MEANTIME, THE GREEK LEADERSHIP WOULD PREFER SOME SORT OF HALF-WAY HOUSE UNDER THE NATO UMBRELLA, AND THERE IS UNDOUBTEDLY SOME VERY HARD BARGAINING AHEAD TO DEFINE A MUTUALLY ACCEPTABLE GREEK-NATO TIE.

18. IN FORMULATING OUR POLICIES AND MANAGING OUR RELATIONS WITH GREECE IN THE COMING YEAR IT WOULD BE WELL FOR US TO BEAR IN MIND PERICLE' ADMONITION TO THE ATHENIANS AT THE OUTSET OF THE PELOPONNESIAN WARS 2500 YEARS AGO, WHICH I QUOTED AT THE BEGINNING OF THIS TELEGRAM -- THAT WE HAVE MUCH MORE TO FEAR FROM OUR OWN MISTAKES AND BLUNDERS THAN WE DO FROM THE STRENGTH AND STRATEGY OF OUR ADVERSARIES. WHILE IT IS TRUE TODAY, AS CHURCHILL SAID IN CONFIDENTIAL

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1944, THAT "GREECE HA PROVED A SOURCE OF ENDLESS TROUBLE," MUCH OF OUR SUFFERING AND PROBLEMS HAVE BEEN THE RESULT OF OUR OWN ERRORS, ACTIONS AND POLICIES IN AN EARLIER PERIOD.

19. ANOTHER NOTE OF CAUTION TO BE BORNE IN MIND DURING 1977 BY AMERICAN POLICY MAKERS: ONE SHOULD BE EXCEEDINGLY CAREFUL IN GENERALIZING ABOUT "THE GREEKS." FOR EXAMPLE, IT IS A MISTAKE TO ASSUME THAT THE SO-CALLED "GREEK LOBBY" IN THE U.S. INVARIABLY SPEAKS FOR OR REFLECTS THE VIEWS AND POSITIONS OF THE CARAMANLIS GOVERNMENT -- INDEED, THEY HAVE OFTEN BEEN AT ODDS. NOR, IT SHOULD BE REMEMBERED, ARE THE INTERESTS OF CARMANLIS AND THE MAINLAND GREEKS IDENTICAL WITH THOSE OF MAKARIOS AND THE GREEK CYPRIOTS; ON THE CONTRARY, THEY ARE NOT ALWAYS EVEN COMPATIBLE. WHEN PRESIDENT-ELECT CARTER WAS REPORTED IN THE PRESS TO HAVE COMMENTED ABOUT THE GREEKS CELEBRATING HIS ELECTION -- PRESUMABLY BASED ON

CHURCHBELL RINGING AND PROCLAIMED HOLIDAY IN NOCISOA -- THE CARAMANLIS GOVERNMENT FELT CONSTRAINED TO ISSUE SEMI-INDIGANT STATEMENTS TO THE EFFECT THAT GREECEHAD NOT CELEBRATED AND THAT ALL GREECE HAD EVER WANTED FROM THE USG WAS THE "OBJECTIVITY" THAT THE PRESIDENT-ELECT WAS PROMISING.

20. PERHAPS THE MOST IMPORTANT THING THAT WILL HAPPEN IN GREECE IN 1977 WILL BE -- AS ONE OFTEN HEARS IN ATHENS -- THE TURKISH ELECTIONS. A LOT WILL RIDE ON HOW THEY ARE CONDUCTED AND ON THEIR OUTCOME. CARAMANLIS CERTAINLY RECOGNIZES THIS, WHICH PRP-VIDES BOTH US UND THE TURKS SOME LIMITED ADDITINAL LEVERAGE IN DEALING WITH HIM AND HIS GOVERNMENT DURING THE EARLY MONTHS OF 1977.

21. IN SUME, AS THE NEW YEAR OPENS I AM MORE ENCOURAGED BY OVER-ALL PROSPECTS THAN AY YEAR AGO. THIS IS NOT TO SAY THAT WE CAN EXPECT ANYTHING REMOTELY RESUMBLING A CALM PLATEAU IN OUR RELATIONSHIP WITH THIS DIFFICULT LAND, BUT HAVING IN MIND PROGRESS MADE DURING THE PAST YEAR IN RESTORING OUR RELATIONSHIP TO A MORE EVEN KEEL, I LOOK AHEAD TO 1977 AS PROVIDING THE USG AN OPPORTUNITY TO CONSOLIDE AND CEMENT THAT PROGRESS, WHILE AT THE SAME
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TIME REESTABLISHING A SOUNDER AND HEALTHEIR EQUILIBRIUM THROUGHOUT THE EASTERN MEDITERRANEAN. KUBISCH UNQUOTE ROBINSON

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